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**OFFICIAL FILE**  
**ILLINOIS COMMERCE COMMISSION**

June 12, 2003

Ms. Elizabeth A. Rolando  
Chief Clerk  
Illinois Commerce Commission  
527 E. Capitol Street  
Springfield, IL 62701

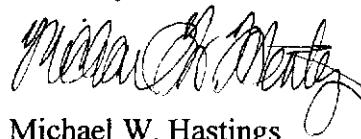
Re: Corn Belt Energy Corporation  
AGS Application  
Docket No. 03-0254

Dear Ms. Rolando:

I enclose for filing a copy of the contract between Corn Belt Energy Corporation (Corn Belt) and the Illinois Municipal Gas Agency (IMGA). Pursuant to the Order in the above-referenced docket, Corn Belt is required to file this contract with the Commission within fourteen (14) days of the date of that Order, which was June 4, 2003.

Please give me a call if you have any questions or if I can be of further assistance.

Sincerely,



Michael W. Hastings  
Attorney At Law

MWH/mwh

Enc.

cc. John Albers, Esq., Administrative Law Judge  
Ronald A. Stack, Corn Belt Energy Corporation

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JUN 13 2003  
ILLINOIS COMMERCE COMMISSION

# ILLINOIS MUNICIPAL GAS AGENCY

## NATURAL GAS SUPPLY AND MANAGEMENT AGREEMENT

This Agreement is made as of the 21<sup>st</sup> day of March, 2002 by and between the Illinois Municipal Gas Agency, a municipal natural gas agency organized and existing pursuant to the Illinois Joint Municipal Natural Gas Act, ("SELLER"), and Corn Belt Energy Corporation, a not-for-profit corporation, ("BUYER"), who agree as follows:

### 1. SUPPLY, MANAGEMENT, PURCHASE AND SALE

1.1 SELLER warrants that it is a municipal natural gas agency organized and existing pursuant to the Illinois Joint Municipal Natural Gas Act and that it has full legal authority to engage in the wholesale sale, supply and management of natural gas for its members and eligible utilities, and BUYER warrants that it has full legal authority to conduct its natural gas business, including purchase, distribution and retail sale of natural gas to consumers, as presently conducted and as contemplated by this Agreement.

1.2 SELLER agrees to sell, supply and manage natural gas to meet all of BUYER's requirements for its system during the term of this Agreement, up to BUYER's Maximum Daily Quantity (MDQ as defined hereinafter). Delivery and acceptance shall be at the Point of Delivery (as defined hereinafter). BUYER shall designate the Point of Delivery on Exhibit A, which shall be attached hereto and incorporated herein.

1.3 BUYER shall designate its MDQ on Exhibit A, which shall be attached hereto and incorporated herein. Should BUYER seek to increase or decrease its MDQ, SELLER will use its best efforts to make arrangements for gas supply and transportation to enable SELLER to amend the designated MDQ set forth in Exhibit A. In the event BUYER uses more than its MDQ, SELLER will use its best efforts to obtain such gas service at the lowest possible cost for BUYER.

1.4 SELLER will negotiate, arrange and initially pay for all transportation, storage, and delivery contracts with pipeline companies and others as required to deliver natural gas to the Point of Delivery. BUYER recognizes that it may be called upon to aid and assist SELLER in the negotiation of said contracts. BUYER recognizes that it may be a required party to such transportation and/or storage or delivery contracts. SELLER will undertake all arrangements for the transportation of gas to BUYER, including nominations, scheduling, and balancing.

1.5 To assist SELLER in obtaining the gas supplies and transportation necessary to meet BUYER's gas requirements, BUYER shall furnish in writing to SELLER, on the date of execution of this contract, a forecast of its monthly peak demand and gas requirements for each month of the following two (2) years, beginning with the commencement of service. Thereafter, prior to the first day of July each year, BUYER shall update its forecast. If BUYER becomes aware of any changes in its estimates, it shall notify SELLER as soon as practicable. It is

understood that the foregoing forecasts shall be the best estimate of BUYER. If SELLER becomes aware of any information through its existing contracts with suppliers and transporters that would benefit BUYER, it shall notify BUYER as soon as practicable.

1.6 BUYER agrees to purchase all natural gas required for sale to its retail end use customers and the supply, transport and management thereof through SELLER during the term of this Agreement. Although SELLER agrees to use its best efforts to avoid a shortage in supply during any period when SELLER is unable to supply all of BUYER's natural gas requirements, the BUYER shall be permitted to acquire from other sources the amount of natural gas which is not supplied by SELLER; provided, however, that at such time as SELLER is again able to supply all of BUYER's natural gas requirements, BUYER shall be required to take any pay for such natural gas in accordance with the provisions of this Contract. Before entering into any arrangement to acquire natural gas from any source other than SELLER for any period in excess of 48 hours, BUYER will notify and consult with SELLER as to the terms and length of such purchases and obtain SELLER's consent before contracting for such supply, which consent shall not be unreasonably withheld.

1.7. BUYER has indicated that from time to time it may desire to call upon SELLER for consulting services in connection with its attempt to make natural gas proposals to certain end use customers or customer groups and any negotiations or transport arrangements in relation thereto. SELLER is willing to provide said services for a flat fee of [REDACTED] per meeting. If BUYER is successful in securing a contract to provide natural gas to the end use customer or customer group and the natural gas services related thereto are provided to BUYER by SELLER under this Agreement, SELLER will waive the consulting fee.

## 2. DEFINITIONS

2.1 "Pipeline Quality Gas" is natural gas that meets the quality and BTU requirements of the interstate pipeline company transporting gas directly to BUYER.

2.2 "Maximum Daily Quantity" (MDQ) shall be the maximum quantity of natural gas on a daily basis for which SELLER is obligated at any given time for delivery to BUYER, and upon which the purchase and transportation arrangements made by SELLER for BUYER will be based. The MDQ will be set forth in Exhibit A.

2.3 "Point of Delivery" is the location at which BUYER will receive natural gas. Point of Delivery will be identified in Exhibit A.

## 3. TERM OF AGREEMENT

The initial term of this Agreement shall run for TWO (2) years and shall automatically continue in force thereafter from year to year until terminated by either party giving to the other not less than SIX (6) months' notice of its desire to terminate at the end of the initial term or any

subsequent year. In the event SELLER has entered into a commitment with a third-party for transportation, storage or supply of gas which currently exists or extends beyond the term of SELLER's agreement with BUYER, BUYER shall remain responsible for costs incurred by SELLER with respect to such third-party to the extent that such commitment was undertaken specifically for BUYER's benefit and cannot be terminated or reasonably mitigated by SELLER; provided, however, that SELLER shall not enter into any such third-party commitments without BUYER's prior knowledge and approval where the term of such commitment may extend beyond the term of SELLER's agreement with BUYER.

#### 4. PRICE OF NATURAL GAS

The price to be paid by BUYER to SELLER for natural gas sold, supplied, transported or managed hereunder shall be set forth in Exhibit B, which includes purchase, fuel costs, and transportation (including any storage, scheduling, balancing or other charges), but not including distribution between BUYER's Point of Delivery and the end use customer.

#### 5. DELIVERIES

Deliveries may commence as soon as all purchase, transportation, storage and delivery agreements required for acquisition and transportation of said natural gas to Point of Delivery have been put into place. The gas shall be Pipeline Quality gas.

#### 6. BILLINGS AND PAYMENTS

6.1 Billings will be rendered monthly. BUYER will be required to accept and to pay each month for the actual natural gas sold, supplied, managed and delivered to it by SELLER.

6.2 SELLER shall furnish a billing to BUYER stating the total charges for natural gas sold, supplied, transported and managed during the preceding calendar month. BUYER shall make payment to SELLER within ten (10) days of the date of SELLER's billing. Payments received more than ten (10) days after the date of SELLER's billing will be deemed late.

6.3 Beginning on the eleventh (11th) day after the date of SELLER's billing, bills not paid by that time will incur an added charge in the form of interest which shall accrue at the rate of  percent  per  ( ). A BUYER who does not make timely payment shall, in addition, be responsible for paying for collection costs and reasonable attorney fees incurred by SELLER in its efforts to collect delinquent payments.

6.4 If failure to pay shall continue for twenty (20) days after receipt of a billing by BUYER, SELLER may, in addition to any other remedies available, suspend further deliveries to BUYER until all amounts due are paid.

6.5 Corrections to billings (if any) will be reflected in the next billing rendered after the need for correction is discovered. Payment (or credit) for corrected billings will be made or reflected in the next due payment. Corrections will not be made more than two (2) years after the original billing date.

6.6 Upon the termination of this contract, BUYER agrees to pay SELLER for any costs incurred by SELLER for natural gas purchased, supplied, transportation, or managed and for which SELLER arranged storage for the account of BUYER, which have not yet been billed to or paid by BUYER.

6.7 SELLER agrees to maintain records of all deliveries to BUYER under this Agreement, which records will be available for inspection by BUYER upon reasonable notice during the term of the contract and for no less than two years thereafter.

## 7. POINT OF DELIVERY

Title to natural gas sold pursuant to this Agreement will pass to BUYER at the Point of Delivery. The Point of Delivery is identified in Exhibit A hereto, which is incorporated herein by reference.

## 8. FORCE MAJEURE

All obligations of the parties to this Agreement (except for the obligation to make payments of money for natural gas deliveries) shall be suspended while and for so long as compliance is prevented in whole or in part by an act of God, strike, lockout, war, civil disturbance, explosion, breakage, accident to machinery or pipeline, failure of wells or sources of gas supply, Federal or State or local law, inability to secure materials or rights of way or permits or approval or licenses, binding order of a Court or Governmental Agency, the failure of any pipeline or other transport provider to accept gas for delivery, the default of any party to other Contracts (other than BUYER or SELLER), or by any other cause beyond the reasonable control of BUYER or SELLER.

## 9. MISCELLANEOUS

9.1 If any provisions of this Agreement are found to be invalid or unenforceable (other than the requirements concerning payment for natural gas delivered), it is intended that the balance of this Agreement shall remain in full force and effect.

9.2 This Agreement is intended for the exclusive benefit of the parties to this Agreement and their respective successors, and assigns. Nothing contained in this Agreement shall be construed as creating any rights or benefits in or for any third party.

9.3 This Agreement shall be binding upon and shall inure to the benefit of (and be enforceable by) the respective successors and assigns of BUYER and SELLER.

9.4 This contract is expressly made subject to all present and future valid rules, order or regulations of duly constituted governmental authorities having jurisdiction over the subject matter hereof.

9.5 The failure by either party hereto, to act in the event of default shall not constitute a waiver of the right to so act unless otherwise provided herein.

9.6 This Agreement shall be governed by the laws of the State of Illinois and venue for the purpose of resolving any disputes hereunder or related hereto shall be Sangamon County, Illinois.

9.7 This Agreement shall constitute the sole and entire agreement between the parties. This Agreement supersedes any prior agreements for the sale of natural gas between the parties and any such prior agreement is hereby canceled. No modifications of the terms and provisions of this Agreement shall be or become effective except by the execution of a supplementary written agreement.

EXECUTED THIS 24 day of March, 2002.

ILLINOIS MUNICIPAL GAS AGENCY

BY: [Signature]

President

CORN BELT ENERGY CORPORATION

BY: [Signature]

President

ATTEST: [Signature]

Secretary

ATTEST: \_\_\_\_\_

Secretary

ILLINOIS MUNICIPAL GAS AGENCY  
NATURAL GAS SALES AGREEMENT

EXHIBIT A

SCHEDULE OF MONTHLY USAGE

CORN BELT ENERGY CORPORATION

DELIVERY PT: NICOR GAS CITY GATE

SERVICE TYPE: NICOR GAS CUSTOMER SELECT

MDQ: [REDACTED]

<u>MONTH</u>	<u>QUANTITY Dt</u>
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January	[REDACTED]
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	

TOTAL	[REDACTED]
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ILLINOIS MUNICIPAL GAS AGENCY

## NATURAL GAS SALES AGREEMENT

### EXHIBIT B

#### NATURAL GAS SUPPLY AND TRANSPORTATION

For all baseload volumes nominated for first of the month delivery, the price shall be based on *NATURAL GAS INTELLIGENCE*, first of the month Chicago City gate Index [REDACTED]

[REDACTED] This price includes all costs of gas associated with delivery into the designated point of delivery as set forth on Exhibit A.

For additional gas requirements in excess of the nominated volume at the first of any month, the price shall be based on *Gas Daily's* Daily Chicago City gate Index for the applicable day [REDACTED] This price includes all costs of gas associated with delivery into the designated point of delivery as set forth on Exhibit A.

During a Nicor Gas critical day period, additional gas requirements in excess of the nominated volume at the first of any month shall be priced at the average of *Gas Daily's* Midpoint of the Common Range and the High End of the Absolute Range for Chicago-LDCs large end users for the applicable day [REDACTED] This price includes all costs of gas associated with delivery in the designated point of delivery as set forth on Exhibit A.